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|--|--|---|-------------------------------------|---|
| <b>United States Bankruptcy Court</b><br>ID District of <b>BOISE</b>   |  | <b>PROOF OF CLAIM</b><br>Chapter: <b>13</b>   |                                     | U.S. COURTS<br><b>SEP 26 AM 11:21</b><br>REC'D FILED<br>CAMERON S. BURKE,<br>CLERK, IDAHO |
| In re (Name of Debtor)<br><b>DAYLE A DAWSON</b><br><b>DAYLE DAWSON</b>   |  | Case Number<br><b>00 41381</b>  |                                     |   |
| Note: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" of payment of an administrative expense may be FILED pursuant to 11 U.S.C. 503.   |  |   |                                     |   |
| Name of Creditor<br>(The person or entity to whom the debtor owes money or property)<br><b>U. S. BANK</b>  |  | <input type="checkbox"/> Check box if you are aware that anyone else has filed a proof of claim relating to your claim.   |                                     |   |
| Name and Address Where Notices SHOULD be Sent<br><b>U. S. BANK</b><br><b>P. O. BOX 17143</b><br><b>DENVER, CO 80217</b><br><br><b>TEL 800-374-4908</b>   |  | <input type="checkbox"/> Check box if you have never received any notices from the bankruptcy court in this case.<br><input checked="" type="checkbox"/> Check box if the address differs from the address on the envelope sent by the court.   |                                     | THIS SPACE IS FOR<br>COURT USE ONLY   |
| ACCOUNT OR OTHER NUMBER BY WHICH CREDITOR IDENTIFIES DEBTOR:<br><b>10300107538970998</b>   |  | Check here if this claim: <input type="checkbox"/> replaces <input type="checkbox"/> amends } a previously filed claim, dated:  |                                     |   |
| 1. BASIS FOR CLAIM: <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> Goods Sold<br/> <input type="checkbox"/> Services performed<br/> <input checked="" type="checkbox"/> Money loaned<br/> <input type="checkbox"/> Personal injury/wrongful death<br/> <input type="checkbox"/> Taxes<br/> <input type="checkbox"/> Other (Describe Briefly)         </div> <div style="width: 45%;"> <input type="checkbox"/> Retiree benefits as described in U.S.C. 1114(a)<br/> <input type="checkbox"/> Wages, salaries, and compensations (Fill out below)<br/>           Your social security number:<br/>           Unpaid compensations for services performed from _____ to _____<br/> <div style="display: flex; justify-content: space-between; width: 100%;"> <span>(date)</span> <span>(date)</span> </div> </div> </div> |  |   |                                     |   |
| 2. DATE DEBT WAS INCURRED:<br><b>1998/02/25</b>  |  | 3. IF COURT JUDGEMENT, DATE OBTAINED:   |                                     |   |
| 4. CLASSIFICATION OF CLAIM. Under the Bankruptcy Code All claims are classified as one or more of the following: (1) Unsecured nonpriority. (2) Unsecured Priority. (3) Secured. It is possible for part of a claim to be in one category and part in another. CHECK THE APPROPRIATE BOX OR BOXES that best describe your claim and STATE THE AMOUNT OF THE CLAIM  |  |   |                                     |   |
| <input checked="" type="checkbox"/> <b>SECURED CLAIM</b><br>Attach evidence of perfection of security agreement<br>Brief Description of Collateral:<br><input checked="" type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other (Briefly Describe)<br><b>236 N BIRCH ST</b><br><b>.0000</b><br>Amount of arrearage and other charges include in secured claim above, if any.  |  | <input type="checkbox"/> <b>UNSECURED PRIORITY</b><br>Specify the priority of the claim.<br><input type="checkbox"/> Wages, salaries, or commissions - 11 U.S.C. 507(a)(3)<br><input type="checkbox"/> Contributions to employee plan - U.S.C. 507(a)(4)<br><input type="checkbox"/> Up to \$900 of deposits toward purchase, lease, or rental of property or services for personal, family, or household use -<br><input type="checkbox"/> Taxes or penalties of government - 11 U.S.C. 507(a)(7)<br><input type="checkbox"/> Other - 11 U.S.C. 507(a)(2), (a)(5) - (Describe Briefly) |                                     |   |
| <input type="checkbox"/> <b>UNSECURED NONPRIORITY</b><br><br>A claim is unsecured if there is no collateral or lien on property of the debtor securing the claim or to the extent that the value of such property is less than the amount of the claim.  |  | <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <b>5. TOTAL AMOUNT OF CLAIM</b><br/>           AT TIME <b>0.00</b><br/>           CASE FILED (UNSECURED)         </div> <div style="width: 45%;"> <b>33,636.61</b><br/>           (SECURED) (PRIORITY)         </div> </div> <div style="border: 1px solid black; width: 150px; margin-left: auto; text-align: center;"> <b>33,636.61</b><br/>       (TOTAL)     </div>  |                                     |   |
| <input type="checkbox"/> Check this box if claim includes prepetition charges in addition to the principle amount of the claim. Attach itemized statement  |  |   |                                     |   |
| 6. CREDITS AND SETOFFS: The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim. In filing this claim, claimant has deducted all amounts that claimant owes to debtor.   |  |   | THIS SPACE IS FOR<br>COURT USE ONLY |   |
| 7. SUPPORTING DOCUMENTS: Attach copies of supporting documents, such as promissory notes purchase orders, invoices, itemized statements of running accounts, contracts, court judgements, or evidence of security interest. If the documents are not available, explain. If voluminous, attach summary.  |  |   |                                     |   |
| 8. TIME-STAMPED COPY: To receive an acknowledgement of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.   |  |   |                                     |   |
| Date<br><b>9/6/00</b>  |  | Sign and print the name and title, if any of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any)<br><div style="text-align: center;"> <br/> <b>Bankruptcy Specialist</b> </div>   |                                     |   |

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S. C.152 and 3571



U.S. CREDITLINE® - U-DIRECT™



Credit Agreement

| Principal   | Loan Date  | Maturity   | Loan No | Call | Collateral | Account | Officer | Initials |
|-------------|------------|------------|---------|------|------------|---------|---------|----------|
| \$35,000.00 | 02-25-1998 | 02-25-2023 |         |      |            |         | 75768   |          |

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

**Borrower:** EVA H DAWSON  
DAYLE A DAWSON  
236 N BIRCH  
JEROME, ID 83338

**Lender:** U.S. BANK  
JEROME  
300 S LINCOLN  
JEROME, ID 83338

This U.S. CREDITLINE - U-DIRECT Equity Revolving Credit Agreement ("Credit Agreement") is between U.S. BANK ("U.S. Bank") and EVA H DAWSON and DAYLE A DAWSON ("Borrower") whose address is 236 N BIRCH, JEROME, ID 83338.

1. **Advances.** During the "draw period" which is defined in Section 10 below, U.S. Bank ("you" and "your") will lend Borrower ("I" and "me") money according to this Credit Agreement unless this Credit Agreement has been terminated because of my default, or unless, under the terms of this Credit Agreement: (a) I have not complied with the conditions stated in this Credit Agreement for obtaining additional extensions of credit; or (b) my credit limit has been reduced and the additional extension of credit would cause the balance of my credit account to exceed my credit limit.

2. **Credit Limit.** My credit limit is \$35,000.00. This credit limit applies to the total of all advances you make plus all other amounts owing on this credit account. You may but will not be required to make any advances that, when added to all unpaid advances and other amounts owing on this credit account, would be more than my credit limit.

3. **Promise to Pay; Minimum Payment.** During the draw period, I promise to pay you, and I authorize you to charge to this credit account all advances, all amounts treated as advances, all finance charges and all other costs, fees and charges according to this Credit Agreement.

Each month I must pay you at least the minimum periodic payment by the due date shown on the monthly periodic statement you will send me. The minimum periodic payment equals any amounts past due plus the current minimum payment due. The current minimum payment due is the greater of: (a) that portion of the finance charge due to application of the periodic rate, or \$100.00, whichever is greater, plus current membership fees, current late charges, and current overlimit fees; or (b) the amount by which my credit limit is exceeded by my "New Balance," excluding amounts past due. Payment of the minimum periodic payment due may not reduce the principal that is outstanding on my credit account.

If the minimum periodic payment due in any month would be more than the New Balance shown on the periodic statement for that month, then the minimum periodic payment will be the same as the New Balance.

Subject to payment of any applicable cancellation fee described in Section 5 below, I may pay early and I may make extra or larger payments without penalty. I will make my payments to the address indicated on my periodic statement.

4. **Finance Charge.** You figure a portion of the finance charge on this credit account by applying the periodic rate to the "average daily balance" of this credit account. To get the "average daily balance", you take the beginning balance of advances and amounts treated as advances each day, add any new advances and amounts treated as advances and subtract any payments or credits applied. This gives you the daily balance. Then, you add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives you the "average daily balance". Unpaid finance charges are not included in the "average daily balance".

To get the dollar amount of this portion of the finance charge for a billing cycle, you multiply the average daily balance by the periodic rate shown on the face of periodic statements, and then multiply the result by the number of days in the billing cycle.

The periodic rate that you will use to compute this portion of the finance charge and the corresponding annual percentage rate will be based on the "prime rate" plus 1.000% per annum. The "prime rate" will be the prime rate published in The Wall Street Journal "Money Rates" table on the first day on which The Wall Street Journal is published in the month in which the billing cycle begins. (If a range of prime rates is published, then the "prime rate" will be the average of the rates published.) This "prime rate" plus 1.000% per annum then is in effect as the **ANNUAL PERCENTAGE RATE** on the first day of and throughout each billing cycle. For example, if my billing cycle started on the tenth day of the month, and if the prime rate as published in The Wall Street Journal on the first day of the same month had been 8.500% per annum, adding 1.000% per annum would make the **ANNUAL PERCENTAGE RATE** for that billing cycle 9.50%. Because this is an annual rate, you divide it by 365 (366 for billing cycles which begin or end during leap years) to get the periodic rate. In this example, that periodic rate would be 0.02603%. The annual percentage rate includes only interest and not other costs.

The effect of applying the prime rate will be to cause the periodic rate and corresponding annual percentage rate to vary, increasing or decreasing each month as the prime rate increases or decreases, which may result in an increase or decrease in my minimum periodic payment.

During the term of this Credit Agreement, the maximum rate on this credit account will not exceed an **ANNUAL PERCENTAGE RATE** of 18.00% (unless this credit account is with U.S. Bank of Washington, National Association, in which case the **ANNUAL PERCENTAGE RATE** will not exceed the lesser of 18% or the maximum rate allowed by applicable law).

During the billing cycle for this credit account that began on April 10, 1998, and ended on May 09, 1998, the periodic rate was .02732% and the corresponding **ANNUAL PERCENTAGE RATE** was 10.00%.

In addition to computing a portion of the finance charge by applying a periodic rate, you will charge a one-time non-refundable commitment fee in connection with opening this credit account. This commitment fee is the other portion of the **FINANCE CHARGE**, and is based upon the amount of my established credit limit. The Commitment Fee for this credit account is. At the time I sign this Credit Agreement, you may require me immediately to pay the commitment fee, or at your option, you may allow me to charge it to my credit account and have it treated as an advance.

All advances and all amounts treated as advances will accrue a finance charge from the actual date the advance is made.

The amount of all advances will appear on my periodic statement as advances. All other amounts treated as advances except for the commitment fee, will appear on my periodic statement as advances. My commitment fee, whether or not treated as an advance, will be shown as part of my finance charge. All other amounts charged to this credit account that are not advances and that are not treated as advances will be separately identified and itemized. The average daily balance of advances and amounts treated as advances to which the periodic rate was applied will appear on my periodic statement under the heading "Balance To Which Periodic Rate Was Applied."

#### 5. Other Charges.

**Amounts Related to Real Property.** I must pay the following charges in connection with the Deed of Trust to the property:

Except for any of the above amounts which I will be paying to someone other than you or that you permit me to defer until the time this credit account is terminated, you may require me immediately to pay you these amounts at the time I sign this Credit Agreement or at your option you may charge them to this credit account and treat them as advances.

**Membership Fees.** I promise to pay you a \$75.00 nonrefundable annual membership fee as a condition of this credit account. The membership fee will be first charged when I open this credit account, and will be charged in that same month annually thereafter, whether or not I make any advances.

**Late Charges.** A payment is late when you do not receive it at U.S. Bank Creditline, P.O. Box 6990, Portland, Oregon 97228-6990 or at 12901 S.W. Jenkins, Beaverton, Oregon 97075-0279 by the payment due date shown on the periodic statement. You may impose a late charge of 5.000% of the current minimum payment due, or \$, whichever is less, for minimum periodic payments that are not received within 15 days after the payment due date shown on the periodic statement, or if the 15-day period expires on a Saturday, Sunday, or legal holiday, by the end of the next business day. You may require me immediately to pay you these late charges, or at your option you may charge them to this credit account.

**Overlimit Fees.** If at the close of any billing cycle the balance of this credit account exceeds my credit limit for any reason, I agree to pay a \$10.00 overlimit fee. I agree that honoring one or more requests for advances that result in my credit limit being exceeded shall not in any way obligate you to do so on any other occasion. You may require me immediately to pay you these overlimit fees, or at your option you may charge them to this credit account.

**Cancellation Fee.** I agree to pay a cancellation fee or penalty in an amount equal to the greater of % of my credit limit or \$ if I cancel this Credit Agreement and pay off the balance of this credit account within 12 months after I sign this Credit Agreement.

6. **Security.** This credit account is secured by a Deed of Trust to real property that is located at the following address: 236 N BIRCH in JEROME County, State of Idaho (the "Property"). The Deed of Trust secures all present and future amounts owing under this credit account. No matter what agreements I or others may now have with you, this credit account is secured only by the Property described above. The Property, and your rights with

# REVOLVING CREDIT AGREEMENT (Continued)

respect to it, are more fully described in the Deed of Trust:

7. **Payment by Automatic Debit.** If I sign my name at the end of this paragraph I authorize you without my specific request to charge the following designated deposit account, Account Number, maintained with you. The amount of the charge shall be:

The minimum periodic payment I owe you on the closing date of each billing cycle.

You will make this charge on the payment due date shown on my monthly periodic statement or the following business day if that payment due date falls on a weekend or holiday.

I am not required to pay you by this method in order to obtain advances, or for any other reason, and it is my choice whether to accept or reject this method of payment. If for any reason you do not charge my deposit account indicated above for a payment, I still must pay you according to this Credit Agreement. I may cancel the payment by automatic debit by giving you written notice. If there are insufficient funds in my account to pay the automatic debit in full, you may allow the account to become temporarily overdrawn, or you may "bounce" the automatic debit. I will pay all the fees on my deposit account which result from the automatic debits, including overdraft/NSF charges if the automatic debit overdraws my deposit account.

If the account checked above is a Money Market Account, the number of withdrawals from that account in any calendar month is limited as set out in the Money Market Account Agreement I have with you.

Signature for Automatic Debit

*Eva H. Dawson*

Signature for Automatic Debit

*Frank J. Dawson*

8. **How to Obtain Advances.** I may obtain advances from you by the following methods:

I may request advances in person at any branch or office of yours. Each advance must be for at least \$100.00, and may be for a greater amount up to my credit limit.

I may request advances by using the special "U.S. CREDITLINE" checks you provide to me. The amount of each U.S. CREDITLINE check will be an advance on this credit account on the day it is presented to you for payment. I may use the U.S. CREDITLINE checks like ordinary checks, but each U.S. CREDITLINE check must be written for a minimum of \$100.00 and may be for a greater amount up to my credit limit.

9. **Use of Advances.** I may use advances under this credit account for any purpose, except that my U.S. CREDITLINE checks may not be used to make any payments on this credit account, and no part of any advance may be used to finance or refinance the purchase or construction of any property securing this credit account if that property is a one-to-four-family dwelling (including a condominium, cooperative housing unit, or mobile home) or if it is real estate on which there is such a dwelling.

10. **Term.** After any applicable period of time allowed by the Federal Truth-in-Lending Act for cancelling this credit account has expired, I may obtain advances for a period which ends ten years after the date I sign this Credit Agreement. This period during which advances may be obtained is known as the "draw period." During the draw period, I will make payments as described in Section 3 above. The draw period will end on the last day of the billing cycle during which the ten-year period expires.

On the day after the draw period ends, the "repayment period" will begin. I will no longer be able to obtain credit advances and must repay the outstanding balance during the repayment period. The length of the repayment period will depend on the balance I owe at the beginning of the repayment period, but it will end no later than fifteen years after the repayment period begins. During the repayment period, payments will be due monthly. My minimum monthly payment during the repayment period will be equal to 1/180th of the New Balance outstanding at the beginning of the repayment period plus finance charges, or \$100.00, whichever is greater, plus amounts past due, current membership fees, current late charges, and current overlimit fees. If the minimum periodic payment due in any month would be more than the New Balance shown on the periodic statement for that month, then the minimum periodic payment will be the same as the New Balance.

11. **Events of Default.** You can, to the extent permitted by applicable law, terminate this credit account, require me to pay you immediately the entire outstanding balance of my credit account in one payment, foreclose on my real property secured by the Deed of Trust, and charge me certain fees if any of the following events of default occurs:

(a) If I commit fraud or make any material misrepresentation in connection with my application or any aspect of this credit account, for example, if I give you a false financial statement, or if I do not tell you the truth about my financial situation, about the Property, or about my use of the money I obtain through this credit account; or

(b) If I fail to meet the repayment terms of this credit account for any outstanding balance; or

(c) If any action or inaction by me adversely affects your security for this credit account. Examples of such action or inaction include, but are not limited to, the following to the extent permitted by applicable law:

(1) If all or any part of the Property, or an interest in the Property, is sold or transferred, as described in Section 14 below;

(2) If I fail to maintain required insurance on the Property;

(3) If I commit waste on the Property or otherwise destructively use or fail to maintain the Property;

(4) If I die;

(5) If I fail to pay taxes or any debts that might become a lien on the Property;

(6) If I do not keep the Property free of deeds of trust, mortgages and liens, other than the Deed of Trust and other liens I have already told you about, which are described as Permitted Liens in the Deed of Trust;

(7) If I become insolvent or bankrupt;

(8) If any person forecloses or declares a forfeiture on the Property under any land sale contract, or forecloses any other lien on the Property; and

(9) If I fail to keep any agreement or breach the warranties, representations or covenants I have made or will make to you in the Deed of Trust about any hazardous substance on the Property.

(d) If I am now or hereafter become subject to any federal law dealing with credit extended by you to your executive officers, including but not limited to Part 215 of Title 12, Code of Federal Regulations or any successor or substitute regulation, or other applicable restrictions, and I am or become indebted to any other bank or banks, or any subsidiary thereof, in an amount exceeding the limitations set forth in such federal law or restrictions.

12. **Limiting My Access to Credit.** You can refuse to make additional extensions of credit or reduce my credit limit if:

(a) The value of the Property declines significantly below the Property's appraised value for purposes of this credit account;

(b) You reasonably believe that I will be unable to fulfill my repayment obligations under this credit account because of a material change in my financial circumstances, or if I fail to provide you promptly financial information which you have requested from me;

(c) I am in default of any material obligation under this Credit Agreement;

(d) You are precluded by government action from imposing the annual percentage rate provided for in this credit account;

(e) The priority of your security interest is adversely affected by government action to the extent that the value of your security interest is less than 120% of my credit limit;

(f) You have been notified by a government authority that continued advances of funds to me under this credit account may jeopardize your solvency and constitute an unsafe and unsound business practice;

(g) The maximum annual percentage rate is reached under this credit account; or

(h) Any event occurs that is identified as an event of default in Section 11 of this Credit Agreement or in the Deed of Trust.

If you prohibit additional extensions of credit or reduce my credit limit because of any of these circumstances, you will mail me written notice of that change in terms and your notice will tell me the reasons for the change. After such a change, I must request in writing that you reinstate my credit privileges before you do so. Before you reinstate my credit privileges, you may ask me to provide you new information. I will be responsible for any costs of obtaining information requested by you in connection with my request to have my credit privileges reinstated. If I show you that the circumstances which brought about the limitations on my credit privileges have ceased to exist, then my credit privileges will be reinstated.

13. **Taxes, Insurance and Liens.** I must pay all taxes, assessments, liens and other charges on the Property, including those required to be paid by the Deed of Trust, when they are due, and I must keep the Property insured at all times against fire, flood hazards (if any) and other casualties by an insurance company of my choice that is acceptable to you.

I must give you proof of this coverage and my payment of the premiums, and I must furnish you with a loss-payable clause satisfactory to you. I must notify you immediately of any loss. I must make proper proof of loss to the insurance company. The policy must state that you will be notified before it is canceled. If you receive any payment from the insurance company for a loss, you may choose whether to use it to repay what I owe you under this credit

account or to repair the Property.

If I do not do any of these things you may do them and charge me for the cost of doing so. You may require me immediately to pay you those costs, or at your option you may charge those costs to this credit account and treat them as advances.

14. **Due on Sale.** You may at your option, and to the extent permitted by applicable law, require me immediately to pay you all that is owing under this credit account if all or any part of the Property covered by the Deed of Trust, or an interest in the Property, is sold or transferred. You may exercise your rights under this due on sale provision each time all or any part of the Property, or an interest in the Property, is sold or transferred, whether or not you exercised your rights on any previous sales or transfers, and when you do, this credit account shall automatically be cancelled.

15. **Check Access.** I must notify you immediately if any of my U.S. CREDITLINE checks are lost or stolen.

You will not return my cancelled U.S. CREDITLINE checks to me. Rather, your Check Safeguarding Service will apply. Under Check Safeguarding, cancelled U.S. CREDITLINE checks will be microfilmed by you. The microfilm record will be retained by you for seven years. I may obtain a copy of cancelled U.S. CREDITLINE checks upon request. If you cannot provide me with a copy of any cancelled U.S. CREDITLINE check or satisfy me through other means, I agree that you will not be liable for more than the face amount of the U.S. CREDITLINE check or actual damages incurred by me, whichever is less, provided, however, that in no event will you be liable for indirect, special or consequential damages. You shall have no liability for failure to provide copies of cancelled U.S. CREDITLINE checks which are requested by me after seven years from the date the U.S. CREDITLINE checks are received by you. I agree to examine all periodic statements within sixty (60) days after they are mailed, delivered or otherwise made available to me, and I will notify you in writing within that period of any discrepancies therein. I agree that by mailing, delivering or otherwise making available periodic statements to me and by retaining cancelled U.S. CREDITLINE checks and providing copies of them to me upon request as provided herein, you have delivered and otherwise made the periodic statements and cancelled U.S. CREDITLINE checks available to me for purposes of examination to discover unauthorized signatures, alterations and other irregularities.

Except as modified in this Credit Agreement, the Uniform Commercial Code and other applicable laws and rules that apply to regular checks shall apply to the U.S. CREDITLINE checks.

16. **Collection Costs and Attorney Fees.** If I do not make any payment when it is due, or if I am otherwise in default, I agree to pay you reasonable amounts permitted by law that you spend trying to collect what I owe you or trying to take, foreclose or sell any property that secures loans under this credit account. Whether or not litigation is commenced, and except as limited by applicable law, I also will pay your attorney fees, including any for appeal or review, or both. You may require me immediately to pay these collection costs and attorney fees, or at your option you may charge them to this credit account and treat them as advances.

17. **Financial Information.** I agree to give you current financial statements, tax returns and other information you may request in order to enable you to review my creditworthiness. I must give you this information one year after I sign this Credit Agreement, and again in that same month annually thereafter. I also must give you this information within fifteen (15) days of the date you request it, whenever you request it. If I fail to provide you with this information in full within fifteen (15) days after you have requested it from me, that will be a material default under this Credit Agreement. I also authorize you to obtain credit reports and make credit inquiries from time to time that you consider appropriate in connection with extensions of credit, periodic credit reviews and collections under this credit account. I also authorize you to respond from time to time to requests from others for credit or experience information about me and this credit account.

18. **Waiver.** You will not lose any of your rights under this Credit Agreement if you fail to enforce or delay enforcing any of them.

19. **Governing Law.** Except to the extent federal law is controlling, this Credit Agreement will be governed by and interpreted in accordance with the laws of the state in which U.S. Bank is located as identified by its full name shown above, whether or not I live in that state.

20. **Cancellation.** Subject to payment of any applicable cancellation fee, I may cancel this Credit Agreement for any reason at any time before the end of the term by giving you written notice. If this is a joint credit account, any one of us may cancel this Credit Agreement. Even if this Credit Agreement is cancelled, I must continue to pay you according to its terms.

21. **Notices.** You do not have to give me notices such as demand, presentment, protest and notice of dishonor. All notices required or permitted to be given by you or me to the other under this Credit Agreement shall be deemed to have been given three (3) business days after deposit with the U.S. Postal Service, postage prepaid. Notices shall be mailed to me at my address listed on your records. I will mail notices to you at: U.S. Bank Creditline, 12901 S.W. Jenkins, P.O. Box 279, Beaverton, Oregon 97075-0279.

22. **Change of Terms.** From time to time, you may make changes to the terms of this Credit Agreement if I agree to the change in writing at that time, if the change will benefit me, or if the change is insignificant. You may also make changes to the index and margin if the index is no longer available as long as the new index has an historical movement substantially similar to that of the original index and the new index and margin will result in an annual percentage rate substantially similar to the rate in effect at the time the original index becomes unavailable. You may also make any other changes permitted by this Credit Agreement or by law, such as passing along to me any increases in taxes or property or credit life and disability insurance premiums. The changes will apply to all balances outstanding at the time the changes are effective, as well as to new and future transactions, advances and balances, to the extent permitted by law.

23. **Secured Indebtedness.** If I exercise any right that may be available under applicable law to limit the amount of indebtedness secured by the Deed of Trust to the amount of indebtedness outstanding under this Credit Agreement on the date you receive from me the required notice of my intent to so limit the amount of secured indebtedness, I agree that my notice will also constitute a request to reduce my credit limit to an amount equal to the amount of outstanding indebtedness (rounded up to the nearest one hundred dollars) secured by the Deed of Trust on the date you receive my notice, and your receipt of my notice shall automatically so reduce my credit limit under this credit account. You will notify me in writing of the amount of my new credit limit. I also agree that after my credit limit has been reduced as a result of the notice you received from me as provided in this paragraph, no request for advances by any means (whether made by me or received by you before or after you give me the written notice of my new credit limit) will be accepted or honored until my balance under this credit account has been reduced below my new credit limit, and then only up to my new credit limit. If the Deed of Trust is executed by someone (the "grantor") other than me, I further agree that the grantor may exercise and give any notice required to exercise any right that may be available under applicable law to limit the amount of indebtedness secured by the Deed of Trust with the same effect as if I had given the notice and exercised the right. Upon request, you will make available suggested forms to be used in limiting the amount of secured indebtedness as described in this paragraph.

24. **Tax Deductibility.** I should consult a tax advisor regarding the deductibility of interest and charges for this credit account.

25. **Joint Liability.** If I and one or more person(s) sign this Credit Agreement, we will be jointly and individually obligated for all advances and all other amounts charged to this credit account. You may require that one of us pay without asking the other to pay and I will pay even if you and the other person repeatedly agree to renew or extend this Credit Agreement for any length of time, revise the terms of this credit account or release any property that secures this credit account. Either of us alone or both of us may request and obtain advances. All obligations shall be binding on any marital community of which any of us is a member. Upon the request of any party or upon the receipt of inconsistent instructions from two or more parties to this credit account, you may, at your option and without notice to any other party, refuse a request for an advance or refuse any other request with respect to this credit account.

26. **Entire Agreement-Integration.** This Credit Agreement, the Fixed Rate Loan Option Rider, the Deed of Trust, any other documents executed contemporaneously with this Credit Agreement, and any Fixed Rate Loan Option Confirmation Statements or monthly statements issued by you to us under this Credit Agreement, constitute the entire and final expression of our agreement with you concerning this credit account and may not be contradicted by evidence of any alleged oral agreement, but may be changed subsequently pursuant to the Change of Terms provision of this Credit Agreement and by amendment agreed to by you and any of us.

#### MY BILLING RIGHTS— I WILL KEEP THIS NOTICE FOR FUTURE USE

This notice contains important information about my rights and your responsibilities under the Fair Credit Billing Act.

#### I Will Notify You in Case of Errors or Questions About My Bill

If I think my bill is wrong, or if I need more information about a transaction on my bill, I will write to you on a separate sheet at U.S. Bank Creditline, 12901 S.W. Jenkins, P.O. Box 279, Beaverton, Oregon 97075-0279. I will write to you as soon as possible. You must hear from me no later than 60 days after you sent me the first bill on which the error or problem appeared. I can telephone you, but doing so will not preserve my rights.

In my letter, I will give you the following information:

- My name and account number
- The dollar amount of the suspected error.
- A description of the error and an explanation, if there is one, why I believe there is an error. If I need more information, I will describe the item I am not sure about.

If I have authorized you to pay my account payments automatically from my savings or checking account, I can stop the payment on any amount I think is wrong. To stop the payment my letter must reach you three business days before the automatic payment is scheduled to occur.

**My Rights and Your Responsibilities After You Receive My Written Notice**

You must acknowledge my letter within 30 days, unless you have corrected the error by then. Within 90 days, you must either correct the error or explain why you believe the bill was correct.

After you receive my letter, you cannot try to collect any amount I question, or report me as delinquent. You can continue to bill me for the amount I question, including finance charges, and you can apply any unpaid amount against my credit limit. I do not have to pay any questioned amount while you are investigating, but I am still obligated to pay the parts of my bill that are not in question.

If you find that you made a mistake on my bill, I will not have to pay any finance charges related to any questioned amount. If you didn't make a mistake, I may have to pay finance charges, and I will have to make up any missed payments on the questioned amount. In either case, you will send me a statement of the amount I owe and the date that it is due.

If I fail to pay the amount that you think I owe, you may report me as delinquent. However, if your explanation does not satisfy me and I write to you within ten days telling you that I still refuse to pay, you must tell anyone you report me to that I have a question about my bill. And you must tell me the name of anyone you reported me to. You must tell anyone you report me to that the matter has been settled between us when it finally is.

If you don't follow these rules, you can't collect the first \$50 of the questioned amount, even if my bill was correct.

**NOTICE TO BORROWER**

Do not sign this Credit Agreement before you read it. This Credit Agreement may provide for the payment of a cancellation fee or penalty if you wish to cancel this credit account and repay the loan prior to the date provided for repayment in the Credit Agreement.

By signing below, I agree to the terms that are stated on all four pages of this Credit Agreement and I acknowledge that I received a copy of this Credit Agreement.

BORROWER:

Eva H. Dawson  
EVA H. DAWSON

Date:

2-25-98

Dayle A. Dawson  
DAYLE A. DAWSON

Date:

2-25-98



Fixe 0112  
**U.S. CREDITLINE<sup>SM</sup> - U-DIRECT<sup>SM</sup> Equity Revolving Credit Agreement**

| Principal   | Loan Date  | Maturity   | Loan No | Call | Collateral | Account | Officer | Initials |
|-------------|------------|------------|---------|------|------------|---------|---------|----------|
| \$35,000.00 | 02-25-1998 | 02-25-2023 |         |      |            |         | 75769   |          |

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

**Borrower:** EVA H DAWSON  
 DAYLE A DAWSON  
 236 N BIRCH  
 JEROME, ID 83338

**Lender:** U.S. BANK  
 JEROME  
 300 S LINCOLN  
 JEROME, ID 83338

The above described U.S. CREDITLINE<sup>SM</sup> - U-DIRECT<sup>SM</sup> Equity Revolving Credit Agreement ("Credit Agreement") between the above-named borrower(s) and U.S. BANK (U.S. Bank) is amended and supplemented by this "Rider" as follows:

(As used in this Rider and the Credit Agreement, the words "I", "me", and "my", mean the person or persons who sign the Credit Agreement as borrower(s), and the words "you" and "your" mean U.S. Bank.)

#### 1. Fixed Rate Loan Option

This Rider adds to my Credit Agreement a Fixed Rate Loan Option by which I may, during the "draw period" specified in the Credit Agreement, establish one or more Fixed Rate Loan Portions as part of my U.S. CREDITLINE<sup>SM</sup> - U-DIRECT<sup>SM</sup> Equity credit account ("credit account"). Each Fixed Rate Loan Portion will have a fixed interest rate and term, and scheduled monthly payments.

When any Fixed Rate Loan Portion is outstanding, my credit account will consist of a Variable Rate Portion and one or more Fixed Rate Loan Portions. When no Fixed Rate Loan Portions are outstanding, my credit account will consist of only a Variable Rate Portion under the terms of the Credit Agreement. All Fixed Rate Loan Portions are part of my credit account and are secured by the deed of trust that secures my credit account.

The Fixed Rate Loan Option is exercised by establishing one or more Fixed Rate Loan Portions according to the terms of this Rider. I may establish Fixed Rate Loan Portions with you by telephone or in person at any of your branches. I will follow all procedures you specify and will sign any request or confirmation documents you require to establish the Fixed Rate Loan Portion(s), but I understand that you may allow me to establish one or more Fixed Rate Loan Portions without having to sign any documents. If you send me a confirmation statement relating to a Fixed Rate Loan Portion, I will notify you within 10 days if I believe the confirmation statement is in error. Unless I so notify you, the repayment terms and other terms set forth in the confirmation statement will conclusively establish the agreed specific terms applicable to that Fixed Rate Loan Portion. If two or more borrowers have signed the Credit Agreement, any one or more may establish Fixed Rate Loan Portions as part of the credit account, for which all borrowers are jointly and individually obligated.

I may establish Fixed Rate Loan Portions either by transferring part or all of any outstanding balance of the Variable Rate Portion of my credit account to one or more Fixed Rate Loan Portions or by obtaining new advances on my credit account. New advances obtained by establishing Fixed Rate Loan Portions are subject to the use restrictions for advances described in the Credit Agreement; however, they may also be used to pay off one or more existing Fixed Rate Loan Portions. Amounts that are subject to finance charges (advances and amounts treated as advances) are the only portions of any outstanding balance of the Variable Rate Portion of my credit account that may be transferred to one or more Fixed Rate Loan Portions. If such a transfer is made, amounts that are not subject to finance charges, such as accrued and unpaid periodic finance charges (due to the application of the daily periodic rate), membership fees, late charges and overlimit fees, will remain and continue to be billed as part of the Variable Rate Portion of my credit account. Amounts that are subject to finance charges are also the only portions of any outstanding balance of an existing Fixed Rate Loan Portion that may be paid off by establishing a new Fixed Rate Loan Portion or by using other advances on my credit account. (As provided in the Credit Agreement, U.S. CREDITLINE checks may not be used to make any payments on my credit account, nor may they be used to payoff any Fixed Rate Loan Portions.) If an existing Fixed Rate Loan Portion is paid off by establishing a new Fixed Rate Loan Portion or by using other permitted advances on my credit account, those portions of the outstanding balance of the existing Fixed Rate Loan Portion that consist of amounts that are not subject to finance charges, such as accrued and unpaid periodic finance charges and late charges, will be transferred to and be billed as part of the Variable Rate Portion of my credit account.

Each Fixed Rate Loan Portion must be established in an amount of at least \$5,000 and may be in a greater amount up to the available credit under my credit account; however, if I wish to use my credit account to pay off an existing Fixed Rate Loan Portion, I may do so even if sufficient credit is not otherwise available under my credit account, so long as my credit limit would not be exceeded as a result of paying off the existing Fixed Rate Loan Portion. My credit limit applies to the combined total of all amounts owing on my credit account, including amounts owing for the Variable Rate Portion and all Fixed Rate Loan Portions. As payments are made, my available credit will be replenished in an amount equal to the amount by which the outstanding balance on the Variable Rate Portion or the outstanding principal balance on any Fixed Rate Loan Portion is reduced.

I may establish up to three Fixed Rate Loan Portions during any one year period that begins on the date I open my credit account or that begins on any anniversary date thereof. I may have no more than three Fixed Rate Loan Portions outstanding at any time. I may establish Fixed Rate Loan Portions only if no default exists under the Credit Agreement.

The fixed Rate Loan Portions may be established only during the "draw period" described in the Credit Agreement. Although a Fixed Rate Loan Portion must be established before the end of the draw period, the term of the Fixed Rate Loan Portion may extend beyond the "draw period".

I may select the term for repayment of Fixed Rate Loan Portions, up to the maximum term available. The maximum term available for repayment of a Fixed Rate Loan Portion will depend upon the amount of the Fixed Rate Loan Portion. If the Fixed Rate Loan Portion is for an amount from \$5,000 to \$9,999.99, the maximum term will be five (5) years; if the Fixed Rate Loan Portion is for an amount from \$10,000 to \$19,999.99, the maximum term will be ten (10) years; and if the Fixed Rate Loan Portion is for \$20,000 or greater, the maximum term will be fifteen (15) years.

#### 2. Finance Charge on Fixed Rate Loan Portion.

The periodic rate that you will use to compute the finance charge on each Fixed Rate Loan Portion, and the corresponding annual percentage rate, will be determined as of the date I establish the Fixed Rate Loan Portion (the "effective date" of the Fixed Rate Loan Portion), and will be based on the "index rate" plus an interest rate margin of 1.000% per annum. The "index rate" will be the most recent monthly average five-year Treasury Constant Maturity Rate published in the latest Federal Reserve Statistical release (H.15) issued on or before the first day of the month in which the effective date of the Fixed Rate Loan Portion occurs. This "Index Rate" plus 1.000% per annum is then the **ANNUAL PERCENTAGE RATE** for that Fixed Rate Loan Portion. For example, if the applicable "index rate" is 8.500% per annum, adding the interest rate margin of 1.000% per annum would make the **ANNUAL PERCENTAGE RATE** for the Fixed Rate Loan Portion 9.500%. Because this is an annual rate, you divide it by 365 (366 for billing cycles which begin or end during leap years) to get the periodic rate. In this example, the periodic rate would be .0260274%. The annual percentage rate for the Fixed Rate Loan Portion includes only interest and not other charges.

As of January 01, 1998, the periodic rate for Fixed Rate Loan Portions was .02510%, and the corresponding **ANNUAL PERCENTAGE RATE** was 9.19%.

Finance charges will begin to accrue on a Fixed Rate Loan Portion on the effective date of that Fixed Rate Loan Portion. The periodic rate and corresponding annual percentage rate for an established Fixed Rate Loan Portion will not change. The maximum rate for a Fixed Rate Loan Portion will not exceed an **ANNUAL PERCENTAGE RATE** of 18.000% (unless my credit account is with U.S. Bank of Washington, National Association in which case the **ANNUAL PERCENTAGE RATE** will not exceed the lesser of 19% or the maximum rate allowed by applicable law).

The finance charge, if any, shown on periodic statements in connection with each Fixed Rate Loan Portion will be determined by applying the periodic rate applicable to that Fixed Rate Loan Portion to the principal balance (including current transactions) of that Fixed Rate Loan Portion each day, beginning on the day when your first payment was credited to that Fixed Rate Loan Portion and ending the day before your payment, if any, was credited to that Fixed Rate Loan Portion in the billing cycle to which the periodic statement applies. Then, you will add up all of these daily finance charges to get the finance charge paid in that billing cycle in connection with all Fixed Rate Loan Portions. To get the principal balance each day, you

# FIXED RATE LOAN OPTION RIDER (Continued)

will take the beginning principal balance of that Fixed Rate Loan Portion for the day, and subtract any payments and credits. Unpaid finance charges are not included in the daily principal balance.

## 3. Promise to Pay: Payments on Fixed Rate Loan Portion.

I promise to pay you all principal and finance charges for all Fixed Rate Loan Portions as part of my credit account, together with all other applicable costs, fees and charges according to the Credit Agreement.

The minimum monthly payment due on each Fixed Rate Loan Portion will be an amount of principal and finance charge sufficient to fully amortize the Fixed Rate Loan Portion over the term I select. The schedule of payments, including the minimum monthly payment and payment due date, for each Fixed Rate Loan Portion will be provided to me when I establish the Fixed Rate Loan Portion. The amount of the last payment on the Fixed Rate Loan Portion will be adjusted to include finance charges calculated on the balance owed on the Fixed Rate Loan Portion, for the time I owed it, and therefore may be an amount different than the regular minimum monthly payment. The amount of the last payment that will be disclosed to me as part of the schedule of payments will be based on the assumption that all minimum monthly payments are received exactly as agreed.

I must pay at least the minimum monthly payment due, by the payment due date, for each Fixed Rate Loan Portion; however, subject to payment of any applicable cancellation fee described in the Credit Agreement, I may without penalty make extra or larger payments, but doing so will not postpone any scheduled payment due date or change the amount of any scheduled payment.

The required payments for each Fixed Rate Loan Portion will be in addition to the required minimum periodic payments due for the Variable Rate Portion of my credit account as provided in the Credit Agreement. During the "repayment period" described in the Credit Agreement, I will continue to pay each outstanding Fixed Rate Loan Portion at the interest rate, term and payments established at the time I established the Fixed Rate Loan Portion, and not according to the payment provisions described in the section of the Credit Agreement entitled "Term".

The minimum monthly payments on each Fixed Rate Loan Portion may be made either by electing to use your payment by automatic debit plan to have my payments automatically deducted from a designated deposit account I maintain with you, or by requesting a payment coupon book to be used when I submit payments to you.

## 4. Payment by Automatic Debit.

When I establish a Fixed Rate Loan Portion, I may elect to have my payments on the Fixed Rate Loan Portion made by automatic debit, and if I so elect, the terms in this section shall apply. I may communicate my election to you by telephone if I am establishing a Fixed Rate Loan Portion by telephone, but in any event I will sign all confirmations or authorizations for payments by automatic debit that you may require.

I do not have to maintain a deposit account with you or elect to have my payments made by automatic debit in order to establish Fixed Rate Loan Portions, or for any other reason, and it is my choice whether to accept or reject this method of payment. I understand that my election to have payments made by automatic debit will not reduce the annual percentage rate applicable to any Fixed Rate Loan Portion.

If I elect to have my payments on a Fixed Rate Loan Portion made by automatic debit, the debits will be made, from the designated deposit account I maintain with you, on the date the payments are due. If the payment due date falls on a weekend or holiday, the debit will be made on the next business day. If there are insufficient funds in my designated deposit account to pay the automatic debit in full, you may allow the deposit account to become temporarily overdrawn, or you may "bounce" the automatic debit. I will pay all fees on my deposit account which result from the automatic debits, including overdraft/NSF charges if the automatic debit overdraws my deposit account. If for any reason you do not charge my deposit account for a payment, or if an automatic payment is rejected, I still must continue to pay you as agreed.

I may cancel my authorization for payment to be made by automatic debit by giving you written notice, and you may cancel this service to me by giving me written notice.

## 5. Late Charges.

For each payment for a Fixed Rate Loan Portion that for any reason is not paid within fifteen (15) days after its scheduled payment due date (or if the 15-day period expires on a Saturday, Sunday or legal holiday, by the next business day), I will pay a late charge of 5.000% of the amount that is late, or 5, whichever is less.

## 6. Credit Insurance.

Credit life or credit life and disability insurance ("credit insurance") is currently not available on any Fixed Rate Loan Portions. If I purchase credit insurance on the Variable Rate Portion of my credit account, it will not cover any Fixed Rate Loan Portions, including Fixed Rate Loan Portions established by transferring part or all of any outstanding balance of the Variable Rate Portion to one or more Fixed Rate Loan Portions, and Fixed Rate Loan Portions established by obtaining new advances on my credit account.

Except as changed above, all of the terms of the Credit Agreement, and any amendments of the Credit Agreement, remain in effect. By signing below, I agree to the terms of this Rider and I acknowledge that I received a copy of the Rider.

BORROWER:

*Eva H. Dawson*  
EVA H. DAWSON

*Don H. Dawson*  
DON H. DAWSON

Date: 2-25-98

Date: 2-25-98

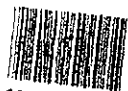


RECORDATION REQUESTED BY:

U.S. BANK  
300 S LINCOLN  
JEROME, ID 83338

WHEN RECORDED MAIL TO:

U.S. BANK OF IDAHO  
RETAIL FINANCE CENTER  
PO BOX 3176  
PORTLAND, OR 97208



0205

Land Title & Escrow, Inc.  
APR 12 11 24 AM '98  
FEE: 15.00  
JLH

981300

J. 24 3.15

159-9148966-7998

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

U.S. BANK

DEED OF TRUST

THIS DEED OF TRUST IS DATED FEBRUARY 25, 1998, among EVA H DAWSON and DAYLE A DAWSON, WIFE AND HUSBAND, whose address is 236 N BIRCH, JEROME, ID 83338 (referred to below as "Grantor"); U.S. BANK, whose address is 300 S LINCOLN, JEROME, ID 83338 (referred to below sometimes as "Lender" and sometimes as "Beneficiary"); and U.S. Bank Trust Company, National Association, whose address is 111 S.W. Fifth Avenue, Portland, Oregon 97204 (referred to below as "Trustee").

CONVEYANCE AND GRANT. For valuable consideration, Grantor does hereby irrevocably grant, bargain, sell and convey in trust, with power of sale, to Trustee for the benefit of Lender as Beneficiary, all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, located in JEROME County, State of Idaho (the "Real Property"):

LOTS 13, 14, 15 AND 16 IN BLOCK 66, JEROME TOWNSITE, JEROME COUNTY, IDAHO, AS THE SAME IS PLATTED IN THE OFFICIAL PLAT THEREOF, NOW OF RECORD IN THE OFFICE OF THE RECORDER OF SAID COUNTY. TOGETHER WITH THAT PORTION OF VACATED SECOND AVENUE WEST.

The Real Property or its address is commonly known as 236 N BIRCH, JEROME, ID 83338.

Grantor presently assigns to Lender (also known as Beneficiary in this Deed of Trust) all of Grantor's right, title, and interest in and to all present and future leases of the Property and all Rents from the Property. In addition, Grantor grants Lender a Uniform Commercial Code security interest in the Rents and the Personal Property defined below.

DEFINITIONS. The following words shall have the following meanings when used in this Deed of Trust. Terms not otherwise defined in this Deed of Trust shall have the meanings attributed to such terms in the Uniform Commercial Code. All references to dollar amounts shall mean amounts in lawful money of the United States of America.

Beneficiary. The word "Beneficiary" means U.S. BANK, its successors and assigns. U.S. BANK also is referred to as "Lender" in this Deed of Trust.

Credit Agreement. The words "Credit Agreement" mean the revolving credit agreement dated: February 25, 1998, with a credit limit in the amount of \$35,000.00, between Grantor and Lender, together with all renewals, extensions, modifications, refinancings, and substitutions for the Credit Agreement. The maturity date of the Credit Agreement is February 25, 2023. NOTICE TO GRANTOR: THE CREDIT AGREEMENT CONTAINS A VARIABLE INTEREST RATE.

Deed of Trust. The words "Deed of Trust" mean this Deed of Trust among Grantor, Lender, and Trustee, and includes without limitation all assignment and security interest provisions relating to the Personal Property and Rents.

Existing Indebtedness. The words "Existing Indebtedness" mean the indebtedness described below in the Existing Indebtedness section of this Deed of Trust.

Grantor. The word "Grantor" means any and all persons and entities executing this Deed of Trust, including without limitation EVA H DAWSON and DAYLE A DAWSON.

Guarantor. The word "Guarantor" means and includes without limitation any and all guarantors, sureties, and accommodation parties in connection with the Indebtedness.

Improvements. The word "Improvements" means and includes without limitation all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal and interest payable under the Credit Agreement and any amounts expended or advanced by Lender to discharge obligations of Grantor or expenses incurred by Trustee or Lender to enforce obligations of Grantor under this Deed of Trust, together with interest on such amounts as provided in this Deed of Trust. Specifically, without limitation, this Deed of Trust secures a revolving line of credit, which obligates Lender to make advances to Grantor so long as Grantor complies with all the terms of the Credit Agreement. Such advances may be made, repaid, and remade from time to time, subject to the limitation that the total outstanding balance owing at any one time, not including finance charges on such balance at a fixed or variable rate or sum as provided in the Credit Agreement, any temporary overages, other charges, and any amounts expended or advanced as provided in this paragraph, shall not exceed the Credit Limit as provided in the Credit Agreement. It is the intention of Grantor and Lender that this Deed of Trust secures the balance outstanding under the Credit Agreement from time to time from zero up to the Credit Limit as provided above and any intermediate balance.

Lender. The word "Lender" means U.S. BANK, its successors and assigns.

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all acccessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" mean the property, interests and rights described above in the "Conveyance and Grant" section.

Related Documents. The words "Related Documents" mean and include without limitation all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

Trustee. The word "Trustee" means U.S. Bank Trust Company, National Association and any substitute or successor trustee.



# DEED OF TRUST (Continued)

THIS DEED OF TRUST, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (1) PAYMENT OF THE INDEBTEDNESS AND (2) PERFORMANCE OF EACH AGREEMENT AND OBLIGATION OF GRANTOR UNDER THE CREDIT AGREEMENT, THE RELATED DOCUMENTS, AND THIS DEED OF TRUST. THIS DEED OF TRUST IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

**PAYMENT AND PERFORMANCE.** Except as otherwise provided in this Deed of Trust, Grantor shall pay to Lender all amounts secured by this Deed of Trust as they become due, and shall strictly and in a timely manner perform all of Grantor's obligations under the Credit Agreement, this Deed of Trust, and the Related Documents.

**POSSESSION AND MAINTENANCE OF THE PROPERTY.** Grantor agrees that Grantor's possession and use of the Property shall be governed by the following provisions:

**Possession and Use.** Until the occurrence of an Event of Default, Grantor may (a) remain in possession and control of the Property, (b) use, operate or manage the Property, and (c) collect any Rents from the Property. The following provisions relate to the use of the Property or to other limitations on the Property. THE REAL PROPERTY EITHER IS NOT MORE THAN TWENTY (20) ACRES IN AREA OR IS LOCATED WITHIN AN INCORPORATED CITY OR VILLAGE.

**Duty to Maintain.** Grantor shall maintain the Property in tenable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

**Hazardous Substances.** The terms "hazardous waste," "hazardous substance," "disposal," "release," and "threatened release," as used in this Deed of Trust, shall have the same meanings as set forth in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or Federal laws, rules, or regulations adopted pursuant to any of the foregoing. The terms "hazardous waste" and "hazardous substance" shall also include, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos. Grantor represents and warrants to Lender that: (a) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any hazardous waste or substance by any person on, under, about or from the Property; (b) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (i) any use, generation, manufacture, storage, treatment, disposal, release, or threatened release of any hazardous waste or substance on, under, about or from the Property by any prior owners or occupants of the Property or (ii) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (c) Except as previously disclosed to and acknowledged by Lender in writing, (i) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of, or release any hazardous waste or substance on, under, about or from the Property and (ii) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation those laws, regulations, and ordinances described above. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and tests, at Grantor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Deed of Trust. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Grantor or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for hazardous waste and hazardous substances. Grantor hereby (a) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws, and (b) agrees to indemnify and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Deed of Trust or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Grantor's ownership or interest in the Property, whether or not the same was or should have been known to Grantor. The provisions of this section of the Deed of Trust, including the obligation to indemnify, shall survive the payment of the indebtedness and the satisfaction and reconveyance of the lien of this Deed of Trust and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

**Nuisance, Waste.** Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), soil, gravel or rock products without the prior written consent of Lender.

**Removal of Improvements.** Grantor shall not demolish or remove any improvements from the Real Property without the prior written consent of Lender. As a condition to the removal of any improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such improvements with improvements of at least equal value.

**Lender's Right to Enter.** Lender and its agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Property for purposes of Grantor's compliance with the terms and conditions of this Deed of Trust.

**Compliance with Governmental Requirements.** Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

**Duty to Protect.** Grantor agrees neither to abandon nor leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

**DUE ON SALE - CONSENT BY LENDER.** Lender may, at its option, declare immediately due and payable all sums secured by this Deed of Trust upon the sale or transfer, without the Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest therein; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of Real Property interest. If any Grantor is a corporation, partnership or limited liability company, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock, partnership interests or limited liability company interests, as the case may be, of Grantor. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by Idaho law.

**TAXES AND LIENS.** The following provisions relating to the taxes and liens on the Property are a part of this Deed of Trust.

**Payment.** Grantor shall pay when due (and in all events prior to delinquency) all taxes, special taxes, assessments, charges (including water and sewer), fines and impositions levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of all liens having priority over or equal to the interest of Lender under this Deed of Trust, except for the lien of taxes and assessments not due, except for the existing indebtedness referred to below, and except as otherwise provided in this Deed of Trust.

**Right To Contest.** Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and "reasonable attorneys' fees or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

**Evidence of Payment.** Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

**Notice of Construction.** Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialman's lien, or other lien could be asserted on account of the work, services, or materials. Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

**PROPERTY DAMAGE INSURANCE.** The following provisions relating to insuring the Property are a part of this Deed of Trust.

**Maintenance of Insurance.** Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender, together with such other hazard and liability insurance as Lender may reasonably require. Policies shall be written in term, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be canceled or diminished without at least ten

# DEED OF TRUST (Continued)

180 days prior written notice to Lender. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person.

**Application of Proceeds.** Grantor shall promptly notify Lender of any loss or damage to the Property if the estimated cost of repair or replacement exceeds \$500.00. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at its election, receive and retain the proceeds of any insurance and apply the proceeds to the reduction of the indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default under this Deed of Trust. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Deed of Trust, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the indebtedness. If Lender holds any proceeds after payment in full of the indebtedness, such proceeds shall be paid to Grantor as Grantor's interests may appear.

**Unexpired Insurance at Sale.** Any unexpired insurance shall inure to the benefit of, and pass to, the purchaser of the Property covered by this Deed of Trust at any trustee's sale or other sale held under the provisions of this Deed of Trust, or at any foreclosure sale of such Property.

**Compliance with Existing Indebtedness.** During the period in which any Existing Indebtedness described below is in effect, compliance with the insurance provisions contained in the instrument evidencing such Existing Indebtedness shall constitute compliance with the insurance provisions under this Deed of Trust, to the extent compliance with the terms of this Deed of Trust would constitute a duplication of insurance requirement. If any proceeds from the insurance become payable on loss, the provisions in this Deed of Trust for division of proceeds shall apply only to that portion of the proceeds not payable to the holder of the Existing indebtedness.

**EXPENDITURES BY LENDER.** If Grantor fails to comply with any provision of this Deed of Trust, including any obligation to maintain Existing Indebtedness in good standing as required below, or if any action or proceeding is commenced that would materially affect Lender's interests in the Property, Lender, on Grantor's behalf may, but shall not be required to, take any action that Lender deems appropriate. Any amount that Lender expends in so doing will bear interest at the rate provided for in the Credit Agreement from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses, at Lender's option, will: (a) be payable on demand; (b) be added to the balance of the credit line and be apportioned among and be payable with any installment payments to become due during either: (i) the term of any applicable insurance policy or (a) the remaining term of the Credit Agreement; or (c) be treated as a balloon payment which will be due and payable at the Credit Agreement's maturity. This Deed of Trust also will secure payment of these amounts. The rights provided for in this paragraph shall be in addition to any other rights or any remedies to which Lender may be entitled on account of the default. Any such action by Lender shall not be construed as curing the default so as to bar Lender from any remedy that it otherwise would have had.

**WARRANTY; DEFENSE OF TITLE.** The following provisions relating to ownership of the Property are a part of this Deed of Trust.

**Title.** Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in the Existing indebtedness section below or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Deed of Trust; and (b) Grantor has the full right, power, and authority to execute and deliver this Deed of Trust to Lender.

**Defense of Title.** Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Trustee or Lender under this Deed of Trust, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

**Compliance With Laws.** Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

**EXISTING INDEBTEDNESS.** The following provisions concerning existing indebtedness (the "Existing Indebtedness") are a part of this Deed of Trust.

**Existing Lien.** The lien of this Deed of Trust securing the indebtedness may be secondary and inferior to an existing lien. Grantor expressly covenants and agrees to pay, or see to the payment of, the Existing Indebtedness and to prevent any default on such indebtedness, any default under the instruments evidencing such indebtedness, or any default under any security documents for such indebtedness.

**No Modification.** Grantor shall not enter into any agreement with the holder of any mortgage, deed of trust, or other security agreement which has priority over this Deed of Trust by which that agreement is modified, amended, extended, or renewed without the prior written consent of Lender. Grantor shall neither request nor accept any future advances under any such security agreement without the prior written consent of Lender.

**CONDEMNATION.** The following provisions relating to condemnation proceedings are a part of this Deed of Trust.

**Application of Net Proceeds.** If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees incurred by Trustee or Lender in connection with the condemnation.

**Proceedings.** If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments as may be requested by it from time to time to permit such participation.

**IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES.** The following provisions relating to governmental taxes, fees and charges are a part of this Deed of Trust.

**Current Taxes, Fees and Charges.** Upon request by Lender, Grantor shall execute such documents in addition to this Deed of Trust and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Grantor shall reimburse Lender for all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Deed of Trust, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Deed of Trust.

**Taxes.** The following shall constitute taxes to which this section applies: (a) a specific tax upon this type of Deed of Trust or upon all or any part of the indebtedness secured by this Deed of Trust; (b) a specific tax on Grantor which Grantor is authorized or required to deduct from payments on the indebtedness secured by this type of Deed of Trust; (c) a tax on this type of Deed of Trust chargeable against the Lender or the holder of the Credit Agreement; and (d) a specific tax on all or any portion of the indebtedness or on payments of principal and interest made by Grantor.

**Subsequent Taxes.** If any tax to which this section applies is enacted subsequent to the date of this Deed of Trust, this event shall have the same effect as an Event of Default (as defined below) and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either: (a) pays the tax before it becomes delinquent, or (b) contests the tax as provided above in the Taxes and Liens section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

**SECURITY AGREEMENT; FINANCING STATEMENTS.** The following provisions relating to this Deed of Trust as a security agreement are a part of this Deed of Trust:

**Security Agreement.** This instrument shall constitute a security agreement to the extent any of the Property constitutes fixtures or other personal property, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

**Security Interest.** Upon request by Lender, Grantor shall execute financing statements and take whatever other action is requested by Lender to perfect and continue Lender's security interest in the Real and Personal Property. In addition to recording this Deed of Trust in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Deed of Trust as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall assemble the Personal Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender.

**Addresses.** The mailing addresses of Grantor (debtor) and Lender (secured party), from which information concerning the security interest granted by this Deed of Trust may be obtained (each as required by the Uniform Commercial Code), are as stated on the first page of this Deed of Trust.

**FURTHER ASSURANCES; ATTORNEY-IN-FACT.** The following provisions relating to further assurances and attorney-in-fact are a part of this Deed of Trust.

**Further Assurances.** At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and, when requested by Lender, cause to be filed, recorded, refiled, or re-recorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates,

DEED OF TRUST  
(Continued)

and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (a) the obligations of Grantor under the Credit Agreement, this Deed of Trust, and the Related Documents, and (b) the liens and security interests created by this Deed of Trust on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or agreed to the contrary by Lender in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

**Attorney-in-Fact.** If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

**FULL PERFORMANCE.** If Grantor pays all the indebtedness when due, terminates the credit line account, and otherwise performs all the obligations imposed upon Grantor under this Deed of Trust, Lender shall execute and deliver to Trustee a request for full reconveyance and shall execute and deliver to Grantor suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Any reconveyance fee required by law shall be paid by Grantor, if permitted by applicable law.

**DEFAULT.** Each of the following, at the option of Lender, shall constitute an event of default ("Event of Default") under this Deed of Trust: (a) Grantor commits fraud or makes a material misrepresentation at any time in connection with the Credit Agreement. This can include, for example, a false statement about Grantor's income, assets, liabilities, or any other aspects of Grantor's financial condition. (b) Grantor does not meet the repayment terms of the Credit Agreement. (c) Grantor's action or inaction adversely affects the collateral for the Credit Agreement or Lender's rights in the collateral. This can include, for example, failure to maintain required insurance, waste or destructive use of the dwelling, failure to pay taxes, death of all persons liable on the account, transfer of title or sale of the dwelling, creation of a lien on the dwelling without our permission, foreclosure by the holder of another lien, or the use of funds or the dwelling for prohibited purposes.

**RIGHTS AND REMEDIES ON DEFAULT.** Upon the occurrence of any Event of Default and at any time thereafter, Trustee or Lender, at its option, may exercise any one or more of the following rights and remedies in addition to any other rights or remedies provided by law:

**Notice of Default.** In the event of default, Lender shall execute or cause the Trustee to execute a written notice of such default and of Lender's election to cause the Property to be sold to satisfy the indebtedness, and shall cause such notice to be recorded in the office of the recorder of each county wherein the Real Property, or any part thereof, is situated.

**Accelerate Indebtedness.** Lender shall have the right at its option without notice to Grantor to declare the entire indebtedness immediately due and payable, including any prepayment penalty which Grantor would be required to pay.

**Foreclosure.** With respect to all or any part of the Real Property, the Trustee shall have the right to foreclose by notice and sale, and Lender shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law.

**UCC Remedies.** With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

**Collect Rents.** Lender shall have the right, without notice to Grantor, to take possession of and manage the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

**Appoint Receiver.** Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

**Tenancy at Sufferance.** If Grantor remains in possession of the Property after the Property is sold as provided above or Lender otherwise becomes entitled to possession of the Property upon default of Grantor, Grantor shall become a tenant at sufferance of Lender or the purchaser of the Property and shall, at Lender's option, either: (a) pay a reasonable rental for the use of the Property, or (b) vacate the Property immediately upon the demand of Lender.

**Other Remedies.** Trustee or Lender shall have any other right or remedy provided in this Deed of Trust or the Credit Agreement or by law.

**Notice of Sale.** Lender shall give Grantor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Personal Property is to be made. Reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition. Any sale of Personal Property may be made in conjunction with any sale of the Real Property.

**Sale of the Property.** To the extent permitted by applicable law, Grantor hereby waives any and all rights to have the Property marshaled. In exercising its rights and remedies, the Trustee or Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property. Notice of sale having been given as then required by law, and not less than the time required by law having elapsed, Trustee, without demand on Grantor, shall sell the property at the time and place fixed by it in the notice of sale at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee shall deliver to the purchaser his or her deed conveying the Property so sold, but without any covenant or warranty express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness of such matters or facts. After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title and reasonable attorneys' fees, including those in connection with the sale, Trustee shall apply proceeds of sale to payment of: (a) all sums expended under this Deed of Trust, not then repaid with interest thereon as provided in this Deed of Trust; (b) all indebtedness secured hereby; and (c) the remainder, if any, to the person or persons legally entitled thereto.

**Waiver; Election of Remedies.** A waiver by any party of a breach of a provision of this Deed of Trust shall not constitute a waiver of or prejudice the party's rights otherwise to demand strict compliance with that provision or any other provision. Election by Lender to pursue any remedy provided in this Deed of Trust, the Credit Agreement, in any Related Document, or provided by law shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Deed of Trust after failure of Grantor to perform shall not affect Lender's right to declare a default and to exercise any of its remedies.

**Attorneys' Fees; Expenses.** If Lender institutes any suit or action to enforce any of the terms of this Deed of Trust, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and on any appeal. Whether or not any court action is involved, all reasonable expenses incurred by Lender which in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the indebtedness payable on demand and shall bear interest at the Credit Agreement rate from the date of expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's reasonable attorneys' fees after default and referral to an attorney not a salaried employee of Lender, whether or not there is a lawsuit, including reasonable attorneys' fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, appraisal fees, title insurance, and fees for the Trustee, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

**Rights of Trustee.** Trustee shall have all of the rights and duties of Lender as set forth in this section.

**POWERS AND OBLIGATIONS OF TRUSTEE.** The following provisions relating to the powers and obligations of Trustee are part of this Deed of Trust.

**Powers of Trustee.** In addition to all powers of Trustee arising as a matter of law, Trustee shall have the power to take the following actions with respect to the Property upon the written request of Lender and Grantor: (a) join in preparing and filing a map or plat of the Real Property, including the dedication of streets or other rights to the public; (b) join in granting any easement or creating any restriction on the Real Property; and (c) join in any subordination or other agreement affecting this Deed of Trust or the interest of Lender under this Deed of Trust.

**Obligations to Notify.** Trustee shall not be obligated to notify any other party of a pending sale under any other trust deed or lien, or of any action or proceeding in which Grantor, Lender, or Trustee shall be a party, unless the action or proceeding is brought by Trustee.

**Trustee.** Trustee shall meet all qualifications required for Trustee under applicable law. In addition to the rights and remedies set forth above, with respect to all or any part of the Property, the Trustee shall have the right to foreclose by notice and sale, and Lender shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law.

**Successor Trustee.** Lender, at Lender's option, may from time to time appoint a successor Trustee to any Trustee appointed hereunder by an instrument executed and acknowledged by Lender and recorded in the office of the recorder of JEROME County, Idaho. The instrument shall contain, in addition to all other matters required by state law, the names of the original Lender, Trustee, and Grantor, the book and page where

# DEED OF TRUST (Continued)

this Deed of Trust is recorded, and the name and address of the successor trustee; and the instrument shall be executed and acknowledged by Lender or its successors in interest. The successor trustee, without conveyance of the Property, shall succeed to all the title, power, and duties conferred upon the Trustee in this Deed of Trust and by applicable law. This procedure for substitution of trustee shall govern to the exclusion of all other provisions for substitution.

**NOTICES TO GRANTOR AND OTHER PARTIES.** Any notice under this Deed of Trust shall be in writing, may be sent by telefacsimile (unless otherwise required by law), and shall be effective when actually delivered, or when deposited with a nationally recognized overnight courier, or, if mailed, shall be deemed effective when deposited in the United States mail first class, certified or registered mail, postage prepaid, directed to the addresses shown near the beginning of this Deed of Trust. Any party may change its address for notices under this Deed of Trust by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. All copies of notices of foreclosure from the holder of any lien which has priority over this Deed of Trust shall be sent to Lender's address, as shown near the beginning of this Deed of Trust. For notice purposes, Grantor agrees to keep Lender and Trustee informed at all times of Grantor's current address.

**MISCELLANEOUS PROVISIONS.** The following miscellaneous provisions are a part of this Deed of Trust:

**Amendments.** This Deed of Trust, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Deed of Trust. No alteration of or amendment to this Deed of Trust shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

**Applicable Law.** This Deed of Trust has been delivered to Lender and accepted by Lender in the State of Idaho. This Deed of Trust shall be governed by and construed in accordance with the laws of the State of Idaho.

**Caption Headings.** Caption headings in this Deed of Trust are for convenience purposes only and are not to be used to interpret or define the provisions of this Deed of Trust.

**Merger.** There shall be no merger of the interest or estate created by this Deed of Trust with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

**Multiple Parties.** All obligations of Grantor under this Deed of Trust shall be joint and several, and all references to Grantor shall mean each and every Grantor. This means that each of the persons signing below is responsible for all obligations in this Deed of Trust.

**Severability.** If a court of competent jurisdiction finds any provision of this Deed of Trust to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Deed of Trust in all other respects shall remain valid and enforceable.

**Successors and Assigns.** Subject to the limitations stated in this Deed of Trust on transfer of Grantor's interest, this Deed of Trust shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Deed of Trust and the indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Deed of Trust or liability under the indebtedness.

**Time is of the Essence.** Time is of the essence in the performance of this Deed of Trust.

**Waivers and Consents.** Lender shall not be deemed to have waived any rights under this Deed of Trust (or under the Related Documents) unless such waiver is in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by any party of a provision of this Deed of Trust shall not constitute a waiver of or prejudice the party's right otherwise to demand strict compliance with that provision or any other provision. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or any of Grantor's obligations as to any future transactions. Whenever consent by Lender is required in this Deed of Trust, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required.

**Waiver of Homestead Exemption.** Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Idaho as to all indebtedness secured by this Deed of Trust.

**EACH GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS DEED OF TRUST, AND EACH GRANTOR AGREES TO ITS TERMS.**

GRANTOR:

x Eva H. Dawson  
EVA H DAWSON

x Dayle A. Dawson  
DAYLE A DAWSON

## INDIVIDUAL ACKNOWLEDGMENT

STATE OF Idaho  
COUNTY OF Jerome ) SS

On this 25 day of Feb, in the year 1998, before me Penny Lee, a notary public in and for the State of Idaho, personally appeared EVA H DAWSON and DAYLE A DAWSON, known or identified to me (or proved to me on the oath of me that they executed the same), to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

Penny Lee  
Notary Public for Idaho Residing at Terin Falls

My commission expires 12.10.2003

## REQUEST FOR FULL RECONVEYANCE

(To be used only when obligations have been paid in full)

To: \_\_\_\_\_, Trustee

The undersigned is the legal owner and holder of all indebtedness secured by this Deed of Trust. All sums secured by this Deed of Trust have been fully paid and satisfied. You are hereby directed, upon payment to you of any sums owing to you under the terms of this Deed of Trust or pursuant to any applicable statute, to cancel the Credit Agreement secured by this Deed of Trust (which is delivered to you together with this Deed of Trust), and to reconvey, without warranty, to the parties designated by the terms of this Deed of Trust, the estate now held by you under this Deed of Trust. Please mail the reconveyance and Related Documents to:

Date: \_\_\_\_\_

Beneficiary: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_